

IN THE HOUSE OF REPRESENTATIVES

HOUSE BILL NO. 252

BY REVENUE AND TAXATION COMMITTEE

AN ACT

RELATING TO AGRICULTURAL LAND ASSESSMENT; AMENDING SECTION 63-604, IDAHO CODE, TO REVISE PROVISIONS REGARDING THE ASSESSMENT OF LAND ACTIVELY DEVOTED TO AGRICULTURE AND TO MAKE TECHNICAL CORRECTIONS.

Be It Enacted by the Legislature of the State of Idaho:

SECTION 1. That Section 63-604, Idaho Code, be, and the same is hereby amended to read as follows:

63-604. LAND ACTIVELY DEVOTED TO AGRICULTURE DEFINED. (1) For property tax purposes, land ~~which is~~ actively devoted to agriculture shall be eligible for appraisal, assessment, and taxation as agricultural property each year it meets one (1) or more of the following qualifications:

(a) The total area of such land, including the homesite, is more than five (5) contiguous acres, and is actively devoted to agriculture, which means:

(i) It is used to produce field crops including, but not limited to, grains, feed crops, fruits and vegetables; or

(ii) It is used to produce nursery stock as defined in section 22-2302(11), Idaho Code; or

(iii) It is used by the owner for the grazing of livestock to be sold as part of a for-profit enterprise, or is leased by the owner to a bona fide lessee for grazing purposes; or

(iv) It is in a cropland retirement or rotation program.

(b) The area of such land is five (5) contiguous acres or less and such land has been actively devoted to agriculture within the meaning of subsection (1)(a) of this section during the last three (3) growing seasons; and

(i) It agriculturally produces for sale or home consumption the equivalent of fifteen percent (15%) or more of the owner's or lessee's annual gross income; or

(ii) It agriculturally produced gross revenues in the immediately preceding year of one thousand dollars (\$1,000) or more. When the area of land is five (5) contiguous acres or less, such land shall be presumed to be nonagricultural land until it is established that the requirements of this subsection have been met.

(2) Land that is used in tandem with land qualifying under subsection (1) of this section shall also be appraised, assessed, and taxed as land actively devoted to agriculture if the land:

(a) Consists of pivot corners for a center pivot-irrigated crop or is difficult to farm because of terrain; or

(b) Is used primarily to store agricultural commodities or agricultural equipment, or both.

1       (3) Land shall not be classified or valued as agricultural land which is  
2 part of a platted subdivision with stated restrictions prohibiting its use  
3 for agricultural purposes, whether within or without a city.

4       ~~(34)~~ Land utilized for the grazing of a horse or other animals kept  
5 primarily for personal use or pleasure rather than as part of a bona fide  
6 for-profit enterprise shall not be considered to be land actively devoted to  
7 agriculture.

8       (45) Land actively devoted to agriculture, having previously qualified  
9 for exemption under this section in the preceding year, or ~~which~~ that would  
10 have qualified under this section during the current year, shall not lose  
11 such qualification due to the owner's or lessee's absence in the current year  
12 by reason of active military service in a designated combat zone, as defined  
13 in section 112 of the Internal Revenue Code. If an owner fails to timely ap-  
14 ply for exemption as required in this section solely by reason of active duty  
15 in a designated combat zone, as defined in section 112 of the Internal Re-  
16 venue Code, and the land would otherwise qualify for exemption under this sec-  
17 tion, then the board of county commissioners of the county in which the land  
18 actively devoted to agriculture is located shall refund property taxes, if  
19 previously paid, in an amount equal to the exemption ~~which~~ that would other-  
20 wise have applied.

21       (56) If the land qualified for exemption pursuant to section 63-602FF,  
22 Idaho Code, in 2005, then the land will qualify in 2006 for the exemption pur-  
23 suant to section 63-602K, Idaho Code, upon the filing of a statement by the  
24 owner with the board of county commissioners that the land will be actively  
25 devoted to agriculture pursuant to this section in 2006.

26       (67) For purposes of this section, the act of platting land actively de-  
27 voted to agriculture does not, in and of itself, cause the land to lose its  
28 status as land being actively devoted to agriculture if the land otherwise  
29 qualifies for the exemption under this section.

30       (78) As used in this section:

31       (a) "Contiguous" means being in actual contact or touching along a  
32 boundary or at a point, except no area of land shall be considered not  
33 contiguous solely by reason of a roadway or other right-of-way.

34       (b) "For-profit" means the enterprise will, over some period of time,  
35 make or attempt to make a return of income exceeding expenses.

36       (c) "In tandem with" means the land is used to support the agricultural  
37 use of the qualifying property or is not severed from the qualifying  
38 property.

39       (d) "Platting" means the filing of the drawing, map or plan of a subdivi-  
40 sion or a replatting of such, including certification, descriptions  
41 and approvals with the proper county or city official.